

# **EXHIBIT D**

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# TomorrowNews Fate Wont Ruin

By **Renee Boucher Ferguson** | Posted 2007-11-20

## TomorrowNews Fate Wont Ruin Third-Party App Support

The resignation of TomorrowNews top management raises questions about the companies viability as well as about the prospects for all other companies that provide third party support for enterprise class business applications.

SAP announced Nov. 19 that Andrew Nelson, the founder and CEO of the beleaguered subsidiary, has resigned, bringing several top managers with him. At the same time, SAP said in a statement it is looking at its options with TomorrowNow, including a potential sale of the company.

The "sale" caveat has led to questions about the real issues that will determine the future of TomorrowNow, which is embroiled in a lawsuit filed by Oracle in April alleging the subsidiary stole code from Oracles support servers. In July, SAP admitted to some wrongdoing at TomorrowNow, but said it had no knowledge of or access to the unlawfully obtained data.

On Nov. 1 Nelson sent out a letter to customers saying that TomorrowNow is in the process of implementing "an important business change designed to benefit both our clients and TomorrowNow." The letter states that during the past two months TomorrowNews sales and services teams reached out to customers to discuss the establishment of a new software support environment on customer computers and on premises that would be used by TomorrowNews maintenance and support engineers.



**Click here to read more about SAPs plan to consider several "options" including a possible sale of TomorrowNow.**

The upshot for customers is that, as of Nov. 21, the company will permanently shut down the TomorrowNow service teams access to its customer support environment. If customers dont have an alternative plan worked out, their support service could be interrupted.

"To avoid potential disruption to your TomorrowNow Support Services after Nov. 21 your organization will need to provide a new support environment that is not on TomorrowNow computers or TomorrowNow premises," reads the letter, submitted to eWEEK from sources close to the company.

In the letter, Nelson said he personally welcomes the opportunity to address questions or concerns. He provided his direct contact information at TomorrowNow. In July SAP named Mark White as the new executive chairman for TomorrowNow. Whites mandate was to clear up irregularities at SAPs subsidiary. In its Nov. 19 statement SAP said White is still in charge at the company.

There are currently two companies that sell third party support for the PeopleSoft, JD Edwards and Siebel Customer Relationship Management Applications acquired by Oracle: TomorrowNow and Rimini Street.

TomorrowNow, which was co-founded by Nelson and Seth Ravin, was acquired by SAP shortly after Oracle acquired PeopleSoft in late 2005. In the meanwhile, Ravin split from TomorrowNow and formed Rimini Street. The goal with both companies is to provide third party support for enterprise applications at about 50 cents on the dollar.

TomorrowNow, however, fell on hard times when Oracle filed suit against SAP and its subsidiary and upon subsequent investigation SAP found TomorrowNow had in fact improperly downloaded "some" documentation from Oracles support site. Its not clear what will happen to Oracles suit against SAP should SAP sell TomorrowNow. Currently the two enterprise software rivals are scheduled to meet in court in February, 2008. **However, the**

uncertainty raised by the lawsuit could weigh heavy on customers decisions to migrate to third party support providers.

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"I think wed have to realistically say there are some people around the world, even since the lawsuit, that are saying, I am interested but I am going to sit this one out for a year or two. Weve run into that," Ravin said.

"But the reality is you have to look at contracts themselves. Are [companies] signing contracts? The answer is theyve signed hundreds with TomorrowNow and weve quadrupled in size since the lawsuit was announced. The reality is people still need to save money. They still have budget constraints. Theyre still not getting the value they need. Were seeing nothing but demand."

The issues at TomorrowNow, however, may just stop at the companys doorstep.

Forrester analyst Ray Wang wrote in his Nov. 20 blog, "The Software Insiders Point of View," that its too early to declare the death of third party maintenance companies. Wang lists a number of reasons, including the fact that customers feel they are getting low value for their maintenance dollars, they are seeking other options, and a lower cost third party provider market may emerge from China.



**To read more about the Oracle lawsuit against TomorrowNow and SAP, click here.**

"Despite competitive and market pressures from Oracle and SAP, this market remains a huge pain point for customers," writes Wang. "Vendors for too long have milked the maintenance revenue to juice quarterly profits at the expense of customers. Expect new IT players to emerge and take this space and free companies from the shackles of vendor imposed policies while delivering on the true promise of perpetual license."

But what about that potential "For Sale" sign slapped on TomorrowNews back?

Rimini Streets Seth Ravin said it has put third party support customers across the board in a panic. "In general were just trying to keep everybody calm [by telling them] their support is not going to go away," said Ravin. "When you put your play [out there] mentioning the sale word, you really spook the clients....clearly the reaction from the customer base isnt going to be an excited one. SAP has stood behind this company, and to say we dont know what were going to do really puts a damper on future sales initiatives."

But despite woes from TomorrowNow, Ravin said he cant hire enough sales people to handle the all the business thats coming his way. "Were seeing nothing but demand," he said.

As for potential buyers Wang suggested that system integrators might be a good pick, as would Rimini Street itself.

Ravin said he is interested in looking at TomorrowNow, but there are some caveats.

"The questions we would have to ask is why we would want to buy a company if all the customers are going to come to us anyway," said Ravin. "What exactly would we be buying, based on what were seeing? Theres no other company in the world that has a natural fit for TomorrowNow customers—that could assimilate them overnight, with the ability to take those companies in. That all points to interest on our part, but we have to see what the value is."



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